

**PUBLIC EMPLOYEE RETIREMENT HEALTH CARE FUNDING ACT (EXCERPT)**  
**Act 77 of 2010**

**38.2740 Retirement health care benefits; prefunding; credit to funding account; contribution or credit to health reimbursement account.**

Sec. 10. (1) This state, an employer of a member within a retirement system, a member, or any other person may contribute amounts to a funding account within an applicable trust for the prefunding of retirement health care benefits.

(2) If a funding account contribution is made to the applicable trust, the contribution shall promptly be credited to the funding account within the applicable trust.

(3) Trustees shall credit the applicable funding account with the appropriate investment earnings on those assets.

(4) A member shall contribute an amount to the funding account as required by the applicable retirement act.

(5) A participating member shall contribute an amount to his or her health reimbursement account as required by the applicable retirement act.

(6) The employer of a member or participating member shall contribute or credit to the member's or participating member's health reimbursement account an amount as required by the applicable retirement act.

(7) A member or participating member may make voluntary contributions to his or her health reimbursement account in a whole percentage ranging from 1% to 5% of the member's or participating member's compensation, subject to any limit provided under state or federal law. This subsection does not apply to members of a retirement system until the retirement system has determined that voluntary contributions are permitted by law and a procedure has been implemented for the contributions.

(8) The employer of a member or participating member may contribute or credit an amount to the member's or participating member's health reimbursement account as set forth in the applicable retirement act. This subsection does not apply to members of a retirement system until the applicable retirement system has determined that voluntary contributions are permitted by law and a procedure has been implemented for the contributions.

(9) When a participating member makes a mandatory contribution as a result of a provision of the applicable retirement act, the mandatory contribution, along with any other contributions under this section or a provision of the applicable retirement act, shall promptly be credited to that participating member's health reimbursement account.

**History:** 2010, Act 77, Imd. Eff. May 19, 2010;—Am. 2011, Act 265, Imd. Eff. Dec. 15, 2011.